

IN THE MATTER OF THE APPLICATION OF)
SUEZ WATER DELAWARE, INC. CONCERNING)
THE SEMI-ANNUAL ADJUSTMENT TO THE)
DISTRIBUTION SYSTEM IMPROVEMENT) PSC DOCKET NO. 17-1158
CHARGE (“DSIC”) PURSUANT TO 26 DEL. C.)
§ 314(b) (5))
(FILED NOVEMBER 27, 2017))

AND NOW, this 18th day of June 2019, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, under the statutory scheme, a particular water utility's DSIC Rate, once initiated, may thereafter be adjusted on a semi-annual basis to reflect eligible improvements placed in service within the preceding six months. See 26 *Del. C.* § 314(b) (3) and (b) (5);¹ and

WHEREAS, on December 21, 2017, the Commission adopted Order No. 9159, which opened Docket No. 17-1158 and approved SUEZ’s application to set its DSIC Rate, subject to Commission Staff’s (“Staff”) annual review, audit, and reconciliation to be performed based on the 12-month period ending December 31, 2018; and

¹The Commission explained the DSIC Rate mechanism in detail in PSC Order No. 5850 (December 11, 2001).

WHEREAS, SUEZ did not receive approval to adjust its DSIC Rate in June 2018; therefore, the DSIC Rate of 2.33% carried over for the period of July 1, 2018 through December 31, 2018; and

WHEREAS, in April 2019, Staff received information requested from SUEZ regarding Docket No. 17-1158 and conducted an audit of the DSIC Rates, concentrating on the three major components – Rate Base, Rate of Return, and Depreciation; and

WHEREAS, Staff has submitted a memorandum setting forth its audit findings (“Findings”) for Docket No. 17-1158; and

WHEREAS, Staff’s Findings state that: (i) no discrepancies were found concerning the Rate of Return based upon review of a sampling of customer bills to confirm accuracy; (ii) the semi-annual DSIC revenue requirement was properly calculated as \$681,970, reflecting that no over-collection adjustment was needed in Docket No. 17-1158 because the TCJA² impact on SUEZ’s DSIC revenue was incorporated in its TCJA regulatory liability sur-credit;³ (iii) the plant additions portion included in the Rate Base component was accurate; and (iv) SUEZ’s calculation of total depreciation comported with its general ledger; and

WHEREAS, based on its Findings for Docket No. 17-1158, Staff recommends that the DSIC Rate of 2.33% in effect from January 1, 2018 through December 31, 2018, be approved as final; and

WHEREAS, Staff recommends the Commission formally close Docket No. 17-1158; and

WHEREAS, Staff reports that it shared its Findings with SUEZ and the Delaware Division of the Public Advocate, and all parties are in agreement;

² Tax Cuts and Jobs Act of 2017.

³ *In The Matter Of The Petition Of Delaware Division Of The Public Advocate To Reduce The Rates Of Regulated Utilities As A Result Of The Tax Cuts And Jobs Act Of 2017's Reduction In Corporate Income Taxes And Other Tax Changes*, Docket No. 17-1240, Order No. 9177 (De. PSC Feb. 2, 2018) and Order 9319 (De. PSC Jan. 31, 2019).

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Under the provisions of 26 *Del. C.* § 314, the Commission hereby approves SUEZ's DSIC Rate of 2.33% in effect from January 1, 2018 through December 31, 2018, as final.
2. Nothing in this Order shall preclude the examination and challenge of SUEZ's claims in any base rate proceeding.
3. The annual audit in Docket No. 17-1158 is concluded, and this docket is hereby closed.
4. The Commission reserves the jurisdiction and authority to enter such further orders in these dockets as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary